

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6935**

**BILL NUMBER: SB 251**

**NOTE PREPARED: Feb 2, 2004**

**BILL AMENDED: Jan 27, 2004**

**SUBJECT:** Health Plan Evidence of Coverage.

**FIRST AUTHOR:** Sen. Lawson C

**FIRST SPONSOR:**

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill allows an accident and sickness insurer, a health maintenance organization, and a limited service health maintenance organization to provide evidence of coverage in electronic or paper form. The bill specifies that an accident and sickness insurer, a health maintenance organization, and a limited service health maintenance organization will include in enrollment materials information on obtaining evidence of coverage.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** If allowing electronic submission of evidence of coverage reduces administrative expenses for insurers, the proposal could have an impact on state expenditures only to the extent that insurers or HMO's who contract with the state to provide health insurance pass all or part of the savings on to the state.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The proposal could have an impact on local expenditures only to the extent that insurers pass all or part of any savings gained from electronic submission on to the local unit.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Units providing health insurance to employees.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.